

LEXINGTON INSURANCE COMPANY
(A Capital Stock Company, herein called the Company)
100 Summer Street
Boston, MA 02110

162833



**TRC EXIT STRATEGY®
EPP CLEAN-UP INSURANCE**

DECLARATIONS

MANY OF THE COVERAGES CONTAIN CLAIMS-MADE-AND-REPORTED REQUIREMENTS. PLEASE READ CAREFULLY.

POLICY NUMBER: EPP 7783917

Item 1: NAMED INSURED: TRC Companies, Inc.
ADDRESS: 57 East Willow Street
Millburn, NJ 07041

Item 2: POLICY PERIOD: **FROM:** January 11, 2006 **TO:** January 11, 2021
12:01 A.M. Standard Time at the address of the Named Insured shown above.

Item 3(a): POLICY AGGREGATE LIMIT: \$28,000,000

Item 3(b): EACH INCIDENT LIMIT - COVERAGE B: \$0

**Item 3(c): SELF-INSURED RETENTION –
COVERAGE B - POST PROJECT COMPLETION:** \$NA

Item 4: INSURED PROPERTY(S): ShieldAlloy Metallurgical Corporation "Main Parcel"
12 West Boulevard
Newfield, NJ
(Block 209, Lots 2 and 7 and Block 1002, Lots 1, 2, 3, 3.01, 4, 5, 15, 15.01, 16
and 18 on the tax maps of the Borough of Newfield, Gloucester County)

ShieldAlloy Metallurgical Corporation "Farm Parcel"
N. West Avenue
Vineland, NJ
(Block 8, Lot 13-1 and Block 84, Lots 4-1 and 5 on the tax maps of the City of
Vineland, Cumberland County)

Item 5: POLICY PREMIUM: \$14,892,390

Item S: TRC CONTRACT:

TRC EXIT STRATEGY® CONTRACT dated January 11, 2006 by and between
ShieldAlloy Metallurgical Corporation and TRC Companies, Inc. and TRC
Environmental Corporation

Item 7: CLEAN-UP COST
PROGRESS REPORT
SUBMISSION SCHEDULE:

Monthly

Item S: TRC CLIENT:

ShieldAlloy Metallurgical Corporation
12 West Boulevard
Newfield, NJ 08344

Broker:

Willis Risk and Insurance Services of Los Angeles
801 South Figueroa, Suite 700
Los Angeles, CA 90017

Specimen

AUTHORIZED REPRESENTATIVE
(or countersignature (in states where applicable))

Page 2 of 2

ENDORSEMENT NO. 1

This endorsement, effective 12:01 AM, January 11, 2006
Forms a part of Policy No: EPP 7783917
Issued to: TRC Companies, Inc.
By: Lexington insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFINITION OF REMEDIAL PLAN ENDORSEMENT

It is hereby agreed that for purposes of Section VIII. DEFINITIONS, Paragraph Z. Remedial Plan is defined as the following scheduled and attached documentation:

Document Title

TRC Technical Memorandum from Steve Tappert to Carl Reitenbach; Subject: SheildAlloy Cost Model; dated August 26, 2005
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All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 2

This endorsement, effective **12:01 AM**, January 11, 2006
Forms a part of Policy No: EPP 7783917
Issued to: TRC Companies, Inc.
By: Lexington Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE EXCLUSIONS ENDORSEMENT

It is hereby agreed that the following exclusions shall be added to **Section II. EXCLUSIONS, 1. COMMON EXCLUSIONS - APPLICABLE TO ALL COVERAGES** and such exclusions shall be applicable notwithstanding any modification of the Remedial Plan (i) required by a governmental entity or quasi-governmental entity responsible for supervision of the Clean-Up, or (ii) agreed to in writing by the Company:

FINANCIAL ASSURANCE

All costs, surcharges or expenses incurred to acquire, maintain or renew any financial assurance mechanism.

DECONTAMINATION AND DEMOLITION

All costs associated with the decontamination or demolition of buildings or structures except with respect to the Glass Stack Building D101(B) (as referenced on Figure 2-8 of the "Draft Final Feasibility Study Report, Volume II, Soil Feasibility Study, Shieldalloy Metallurgical Corporation, Newfield, New Jersey" prepared by TRC dated April 1996).

CAPITAL IMPROVEMENTS

Arising from any activity that (i) disturbs or alters the foundations or other subsurface installations of buildings or structures existing as of the Inception Date, or (ii) requires subsurface excavation or site re-grading, other than subsurface excavation or site re-grading which is required under the Remedial Plan; including, but not limited to, construction, installation or demolition of buildings, structures, systems or utilities, other than that.

CAPPING

Arising from the installation, operation, repair or maintenance of the impermeable caps existing as of the Inception Date at the Insured Property.

RADIOACTIVE MATERIALS

Arising from radioactive materials.

PERCHLORATE

Arising from perchlorate.

OFF-SITE SOURCES

Arising from Pollutants on, under or migrating from the Insured Property, which Pollutants have originated on or under a property beyond the boundaries of the Insured Property and migrated onto, under, or through the Insured Property.

ENDORSEMENT NO. 2 (continued)

This endorsement, effective **12:01 AM,** January 11, 2006
Forms a part of Policy No: **EPP 7783917**
Issued to: **TRC Companies, Inc.**
By: **Lexington Insurance Company**

SOIL CLEAN-UP CRITERIA

Clean-Up Costs arising from a soil cleanup criteria more stringent than the non-residential criteria as referenced in **NJDEP Soil Cleanup Criteria NJAC 7:26D.**

GROUNDWATER TREATMENT SYSTEM

Arising from the operation of the groundwater treatment system (pump and treat) for longer than 12 years from the **Inception Date.**

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 3

This endorsement, effective **12:01 AM**, January 11, 2006
Forms a part of Policy No: EPP 7783917
Issued to: TRC Companies, Inc.
By: Lexington Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION – TRC CLIENT DEFAULT ENDORSEMENT

It is agreed that:

1. **Section IV. RIGHTS OF THE COMPANY AND DUTIES OF THE INSURED IN THE EVENT OF POLLUTION CONDITIONS AND IN CONNECTION WITH REMEDIAL ACTIVITIES, Paragraph C. TRC Default** is amended by the addition of the following subparagraph:

4. a. In the event that the **TRC Client** becomes the **Named Insured** pursuant to this **Section IV.** due to a **TRC Default**, and in the event that the **TRC Client** subsequently fails to perform the **Remedial Plan** due to the bankruptcy or insolvency of the **TRC Client**, then upon the written request of the **NJDEP** to the Company, which request shall be accompanied by written confirmation of the **TRC Client** default due to its bankruptcy or insolvency, and evidence of written notice to the **TRC Client**, the **TRC Client** shall be removed as **Named Insured** under **Coverage A** by endorsement to this Policy, and the Company shall have no obligation to pay **Clean-Up Costs** under **Coverage A** to the **TRC Client** after such **TRC Client** default and notice of such pursuant to this Paragraph. If **Section VI.P.** the **NJDEP** elects to become the **Named Insured** under **Coverage A**, in addition to all other duties and obligations under this Policy of the **Named Insured** listed in **Item 1** of the **Declarations**, the **NJDEP**, as **Named Insured**, shall cooperate and retain a **Scheduled Contractor** acceptable to the Company as soon as possible after **TRC Client Default**. In no event shall the Company have any obligation to pay **Clean-Up Costs** under **Coverage A** if **Clean-Up** is not performed by a **Scheduled Contractor**. In the event of the removal of the **TRC Client** as **Named Insured** with the replacement of **NJDEP** as **Named Insured** under **Coverage A**, **item 3(a)** of the **Declarations** page is deleted in its entirety and shall be replaced with the following:

Item 3(a): POLICY AGGREGATE LIMIT: \$13,500,000 less any Clean-Up Costs paid to
or on behalf of TRC and TRC Client under this Policy prior to the substitution of NJDEP as
Named Insured.

a

ENDORSEMENT NO. 3 (continued)

This endorsement, effective **12:01 AM**,

Forms a part of **Policy No:**

Issued to: **TRC Companies, Inc.**

By: **American International Specialty Lines Insurance Company**

4. b. **TRC, TRC Client and NJDEP** agree and acknowledge that the Company shall rely solely upon notification provided by the **NJDEP** of **TRC Client** default or of the **NJDEP's** election not to replace **TRC Client** as the **Named Insured under Coverage A**, and **TRC, TRC Client and NJDEP** release and hold the Company harmless for all liability, costs, damages, loss and expenses resulting from, or alleged to be resulting from, the Company's reliance on such notice provided by the **NJDEP** and the resulting removal of **TRC Client** as **Named Insured under Coverage A** and replacement of **TRC Client** with the **NJDEP** as **Named Insured under Coverage A** or any actions taken by the Company pursuant to **C.4.** above.

2. **Section VIII. DEFINITIONS** is amended by the addition of the following definition:

NJDEP means the **State of New Jersey Department of Environmental Protection**.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)